1	2	3	4
Madhya Pradesh	60216	37741	14016
Meghalaya	460	152	127
Mizoram	478	—	—
Nagaland	191	30	11
Orissa	15895	9681	3629
Punjab	17097	13359	3678
Rajasthan	26037	22055	9149
Sikkim	144	85	41
Tamilnadu	27553	18795	4639
Tripura	1524	919	673
West Bengal	11906	7656	3738
Uttar Pradesh	81713	55327	14317
NCT of Delhi	3051	3371	1352
Andman & Nicobar	200	247	104
Chandigarh	190	94	11
Dadra & Nagar Haveli	46	19	0
Daman & Diu	38	20	1
Lakhsadweep	62	48	37
Pondicherry	799	351	84
Not Specified	6	—	—
All India	489499	30797!	1033350

Increase in NPA's of Banks

1274. SHRI VEDPRAKASH P. GOYAL: SHRI JIBON ROY:

Will the Minister of FINANCE be pleased to state:

(a) whether the NPA's are increasing in the Nationalised Banks;

(b) if so, the details of increase during the last 3 years, bank-wise;

(c) the reasons for increase of NPA's and whether any pattern of course is established;

(d) what concrete steps are being proposed to be taken to prevent further increase in NPA's to reduce the existing NPAs to recover the money lost by banks as bad debts and whether any responsibility has been fixed in case of high volume NPA cases;

(e) the amount of loan paid by the corporate sector which have grown in this period; and

(f) the reasons for increase in the NPA for the corporate sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) and (b) The non-performing assets (NPAs) of the nationalised banks are increasing in absolute terms. However, these are showing a decreasing trend as a percentage of advances. The details as on 31 st March of 1996, 1997,1998 and 1999 respectively are given in the table below:

(Amount Rs. in Crore)

Year	Gross NPAs		Net NPAs	
	Amount	%age of gross Advances	Amount	%of net advances
1996	28366.04	19.52	12935.47	10.14
1997	29209.27	19.05	13902.72	10.07
1998	30130.38	16.88	14497.50	8.91
1999	33069.43	16.02	15794.16	8.35

Bank wise NPAs of Nationalised banks for four years are given in Annexure. *[See* Appendix 189, Annexure No. 47]

(c) and (f) There are a number of reasons for an account becoming an NPA. Some are internal factors like deficient credit appraisal, non compliance with the terms of sanction while disbursing the loan, slackness in post credit supervision, diversion of funds, inefficient management of the unit financed. There are external factors also which lead to an account becoming NPAs *viz.* Non-viability or sickness of the unit due to change in technology, demand pattern, Government policy, cyclical down turns in the industry, non-completion of project due to cost, time over runs another factor such as non-availability of raw materials, labour problem etc. The NPA levels of public sector banks are under constant watch under the off-site monitoring system as also under On-Site Assessment Visits and Annual Financial Inspections. The rising level of NPAs had been taken up with CEOs of the banks concerned during quarterly review meeting held with

review meeting held with them by RBIs Regional Office.

(d) Reserve Bank of India/Government of India as well as nationalised banks have taken a number of steps not only to check the fresh incidence of NPAs but also to ensure recovery of NPAs. These are;

(i) In order to prevent the accretion of fresh NPAs banks have taken steps to upgrade the credit appraisal skills at different levels.

(ii) All Nationalised banks have documents of loan recovery policy prepared and duly vetted by Board of Directors.

(iii) Banks take steps to reduce their NPAs through negotiated settlements to ensure maximum recovery at minimum expenses.

(iv) Recovery cells have been set up at Head Office under a General Manager and branch-wise targets have been set up by banks. Performance of branches in recovery is monitored by Head Office on monthly basis and Board of Directors are kept informed of the progress on quarterly basis.

(v) Settlement advisory committees headed by retired Judges have been set up by nine banks to examine and recommend compromise proposals to the competent-authorities for their consideration in respect of large advances.

(vi) Settlement Advisory committees of executive have been set up as per guidelines issued by RBI to liquidate more than three year old NPAs of SSI Sector and small loans by compromise settlement.

(vii) Debt Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Chennai, Guwahati, Jaipur, Patna, Mumbai, Jabalpur, Hyderabad, Ernakulam and Appellate Tribunals in Mumbai and Chennai have been set up so far to assist speedy recoveries of banks dues. On 17th January, 2000 an Ordinance has been promulgated for giving increased powers to the DRTs in order to render them more effective in the realisation of dues to banks and FIs.

In order to further expedite the recovery mechanism, the Recovery of Debts Due to banks and Financial Institutions Act, 1993 has been amended by promulgation of an ordinance on 17th January, 2000.

The ordinance seeks to, *inter-alia,* provide for set-off and counter claims,

appointment of receivers and commissioners by the Tribunals, appointment of more than one recovery officer and empowering the Tribunals to distribute the sale proceeds among secured creditors in accordance with the provisions of Section 529A of Companies Act."

(e) The data monitoring system of the RBI does not generate the information in the manner asked for.

Reviewing/Reopening of COFEPOSA cases

1275. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) the number of requests received by Ministry of Finance from the State Government of Maharashtra for reviewing/reopening of COFEPOSA cases in 1996;

(b) whether the State Government of Maharashtra had in May, 1996 specifically requested Prime Minister for reviewing/reopening a COFEPOSA case involving one accused in Bombay blast case, if so what was the response of Central Government thereto; and

(c) the details of steps taken by the Ministry in processing the case referred in part (b) above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No request was sent to the Ministry by the State Government of Maharashtra for reviewing/reopening of COFEPOSA cases in 1996.

(b) No, Sir.

(c) In view of (b) above, the question does not arise.

Target fixed under PMRY for the NE States

1276. KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) the target fixed for the NE states under PMRY during the year 1998-99 and 1999-2000, state-wise;

(b) the number of cases sponsored by the sponsoring authority and the total amount involved;